

Floyd Petersen, Mayor Stan Brauer, Mayor pro tempore Robert Christman, Councilmember Robert Ziprick, Councilmember Charles Umeda, Councilmember

COUNCIL AGENDA:

March 14, 2006

TO:

City Council

VIA:

Dennis R. Halloway, City Manager

FROM:

T. Jarb Thaipejr, Public Works Director/City Engineer . J. T.

SUBJECT:

Award Contract for Professional Services to Prepare a Water and

Sanitary Sewer Rate Study.

RECOMMENDATION:

It is recommended that the City Council award a contract to CDM of Irvine, CA in the amount of \$30,000 to prepare the subject rate study.

BACKGROUND:

The City is the water purveyor as well as owns and maintains the City sanitary sewer conveyance system. The City has a need to determine the suitability of its utility rate structure, analyze its ability to recover costs based on customer demand and provide a long term financial plan for the next five-year period.

ANALYSIS:

A Request for Proposal (RFP) was prepared and sent to five local financial firms. The request was for providing the City with water and sanitary sewer rate study. Three proposals were received and evaluated. We have checked their references and CDM has satisfactorily provided similar professional services in the past to other agencies.

FINANCIAL IMPACT:

Funding was requested and approved during the mid-year budget review for this project. \$15,000 is available in account no. 65-7000-1820, Water Study and another \$15,000 is available in account no. 05-3500-1820, Sewer Study.